

# KEY BISCAYNE POLICE OFFICERS' & FIREFIGHTERS' RETIREMENT PLAN

Village Council Chambers  
560 Crandon Blvd., Key Biscayne, FL 33149  
REGULAR MEETING OF JANUARY 29<sup>TH</sup>, 2015

**1. Call to Order** – Chairman Michael Haring called the meeting of the Key Biscayne Police Officers' & Firefighters' Retirement Plan to order at 5:38 P.M.

## Roll Call

### Present

Servando Parapar, Secretary  
Michael Haring, Chairman  
Jose L. Monteagudo  
Martha F. Broucek

### Absent

Ramon Rodriguez

**OTHERS PRESENT:** Blake Myton from SunTrust, Burgess Chambers from Burgess Chambers & Associates, F/F John Bravaro, Stephen H. Cypen, Esq., Attorney for the Fund and Joan L. Wall, Administrator.

**2. Additions/Deletions to Agenda.** Chairman Haring stated he would like to address the MLP Investment presentations made at the November meeting under Unfinished Business as agenda item 6 c).

**3. Approval of Minutes of November 19<sup>th</sup>, 2014.** Chairman Haring presented the minutes from the previous meeting for approval. Martha Broucek moved to approve. Servando Parapar seconded the motion. The motion carried unanimously.

**4. Approval of Invoices.** Chairman Haring presented the invoices listed on the agenda for approval and payment. Jose Monteagudo moved to approve payment. Martha Broucek seconded the motion. The motion carried unanimously, authorizing payment of the following:

Holland & Knight, Inv #3121009, Dated 11/22/14	\$ 900.00
Holland & Knight, Inv #3134912, Dated 12/23/14	\$ 450.00
<u>TOTAL</u>	\$ 1,350.00
Burgess Chambers & Associates, Inc. Inv #14-305 Qtr 12/31/14	\$3,750.00
Burgess Chambers & Associates, Inc. Inv #14-306 Qtr 9/30/14 (DROP)	\$ 581.48
Burgess Chambers & Associates, Inc. Inv #14-307 Qtr 9/30/14 (Share)	\$1,168.52
<u>TOTAL</u>	\$ 5,500.00
Joan L. Wall, Administrator, 11/12/14 – 1/21/15, 43¼ hrs, plus expense	\$ 2,043.63

**5. Approve Commencement of Retirement/Benefits.** Chairman Haring presented the two retirement benefits listed on the agenda. Jose Monteagudo moved to approve payment. Martha Broucek seconded the motion. The motion carried unanimously, authorizing payment of the following:

F/F Kevin W. Mills, Left DROP on 1/2/2015, Monthly Benefit to be paid directly Effective February 1, 2015	\$6,099.32
P/O Cheryl L. Dufrene, Normal Retirement effective March 1, 2015	\$2,629.36

## **UNFINISHED BUSINESS**

**6. a) Ordinance No. 2014-7; Pending response to January 12<sup>th</sup>, 2015 email to the Village Manager.** Chairman Haring stated that Firefighter John Bravaro was here at tonight's meeting regarding the impact of this ordinance. Chairman Haring stated the Village would like Attorney Cypen to provide legal assistance in drafting an ordinance that would address the tax issue, the chapter 185 excess benefits and whatever is needed to ensure that the IRS would continue in the future to consider the plan in compliance.

**6. b) Gabriel Roeder Smith – October 21<sup>st</sup>, 2014 letter regarding proposed additional fees for preparing separate valuation results for Police and Fire,** not addressed at the November 19<sup>th</sup>, 2014 meeting. Their fee for preparation of the 10/1/13 Actuarial Valuation was \$9,774, increased annually based on the CPI. Their proposed fee for preparation of the 10/1/14 Actuarial Valuation, including separate valuation results for Police and Fire is \$12,950 with the fee adjusted annually, based on the annual percentage increase in the CPI beginning with the 10/1/15 valuation. Jose Monteagudo moved to approve payment of the additional required fees. Martha Broucek seconded the motion. The motion carried unanimously.

**6. c) Burgess Chambers reviewed with those present the particulars concerning an investment in one of the MLP Investments,** as presented at the November 19<sup>th</sup>, 2014 board meeting. It was his recommendation to start with an initial investment of 3% of the fund and to hire Westwood. After additional discussion, Jose Monteagudo moved to hire Westwood, contingent upon Attorney Cypen working out an agreement with the firm, and the initial investment to be limited to 3% of the total fund for a fee not to exceed 95 basis points. Michael Haring seconded the motion. The motion carried unanimously.

## **NEW BUSINESS**

**7. a) Blake Myton, SunTrust – Investment Market Report.** The 4<sup>th</sup> quarter finished up despite a mixed December, with global and US stock returns divergent. Interest rates ended flat for December, with falling rates helping the bond indices shine in 2014. US economic growth remains above global peers with shifting in global central

bank policies remaining in the spotlight. Despite a difficult 2014 for international stocks, SunTrust recommends maintaining some exposure. Total market value as of 12/31/14 was \$27,844,081.99, up \$1,022,287.14 from the previous quarter.

**7. b) Burgess Chambers & Associates – 12/31/14 Performance Report.** Mr. Chambers reported the following:

- For the quarter, the Fund earned \$882K or +3.5% (+3.3% net), ahead of the model portfolio return of +2.7% and ranked in the top 10<sup>th</sup> percentile. The best three performing asset categories were REIT, mid-cap and small cap, earning 15.2%, 6.8% and 5.4% respectively.
- For the one year period the Fund earned \$1.8 million or 8.1% (7.4% net), in line with the model portfolio of 8.0% and ranked in the top 21<sup>st</sup> percentile. REIT, large-cap core and mid-cap were the top performing asset classes.
- For the rolling three year period the Fund earned \$7.7 million, averaging 12.9% net per year, well ahead of the actuarial assumption rate.
- For the five year period the Fund averaged 9.9% net, beating the actuarial return assumption.

**7. c) Schools & Conferences**

- **FPPTA** – Winter Trustees' School, February 1<sup>st</sup> through 4<sup>th</sup>, 2015 at the Rosen Centre Hotel, Orlando, FL

**8. Trustees' Concerns – None.**

**9. REPORTS**

- **Attorney** – Stephen H. Cypen, Esq.'s January 9<sup>th</sup>, 2015 notice "Applying IRC Section 415 Limits to Governmental DROPS" was included in the agenda packages.
- **Administrator** – Annual Affidavits sent out January 11<sup>th</sup>, 2015
- **Other**
  - Class Action Funds received \$233.08 and \$7.20 in addition to Commission Recapture of \$267.94
  - Votes were counted in the Fire Department and Michael Haring was re-elected as trustee per an email from Fire Chief Eric Lang.
  - Jose Monteagudo was re-elected in the Police Department.

**10. Input from Active Members/Retired Members/Public Comments – None.**

**11. Next meeting date/Adjournment.** Chairman Haring announced the next regular meeting was scheduled for Thursday, March 26<sup>th</sup>, 2015 at 5:30 PM.

There being no further business before the board, Jose Monteagudo moved to adjourn at 7 P.M. Martha Broucek seconded the motion. The motion carried unanimously.

Respectfully submitted,

Servando Parapar, Secretary